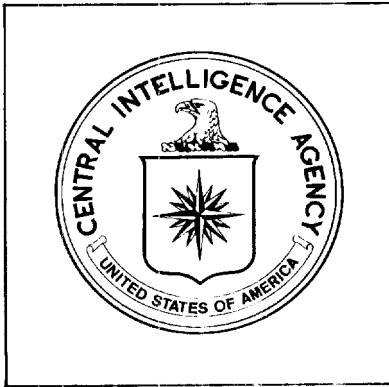


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MIDDLE EAST -- AFRICA -- SOUTH ASIA

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United Arab Emirates*Charting a Middle Course in Foreign Relations*

The foreign policy of the three-year-old United Arab Emirates is largely conditioned by the federation's fragile nature, according to a recent assessment of the US embassy. The UAE's cautious foreign policy moves reflect the leadership's intention to avoid foreign antagonisms that might threaten the new state or obstruct further integration of the seven-member federation.

Sheikh Zayid, President of the UAE and ruler of Abu Dhabi, the most important member state, sees the federation's oil wealth as enabling him to cut a swath in Arab and international circles, and to cultivate Palestinian groups and the more radical Arab states that might be interested in subverting the UAE. Since the formation of the UAE, Zayid has lavishly dispensed foreign aid, with the front-line Arab states receiving first priority, followed by other needy Arab countries and Islamic states such as Pakistan and Bangladesh. The UAE's foreign commitments in 1974 totalled more than \$2 billion, \$870 million of which was disbursed, according to the US embassy's reckoning.

The fact that the UAE's foreign assistance is derived almost solely from Abu Dhabi's oil revenue has not inhibited the six other ruling sheikhs from complaining to Zayid about his generous aid outlays. They argue that the oil revenues could be more usefully expended on development within the federation. Pressure on Zayid to take a hard look at foreign aid disbursements has been intensified by recent cutbacks in oil production and softening in prices, prompted by over-supply of petroleum on the international market. Regardless of what decision Zayid makes on the general level of foreign aid, he will probably continue to make generous handouts to Egypt and Syria.

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UAE policy in the Persian Gulf and Arabian Peninsula is formulated with awareness that the federation can ill afford to antagonize Iran and Saudi Arabia, the dominant powers in the area. Zayid is not upset by Iran's claim that it should have primary responsibility for security in the Persian Gulf. He has refused to criticize the Iranian military presence in Oman and gave no support to the moribund proposal by some Arab leaders of replacing the Iranians with a pan-Arab force. Zayid also gives economic as well as discreet military aid to the sultanate of Oman and the moderate military regime in North Yemen to strengthen them against the subversive efforts of Marxist-oriented South Yemen.

Zayid is restrained by the Saudis from following through on some of his bolder foreign policy initiatives. During the past few years, Zayid has made tentative moves to accede to Soviet requests for a diplomatic exchange, but each time he has been dissuaded, almost certainly by protestation from Riyadh. Concern about offending King Faysal also has prompted Zayid to move cautiously in his efforts to cultivate Iraq.

UAE-Saudi relations improved considerably last summer when the two sides resolved their territorial dispute and Saudi Arabia belatedly recognized the federation. Although relations continue to be generally friendly, the UAE resents Saudi Arabia's habit of criticizing some UAE domestic policies. The Saudis, for instance, find fault with Zayid's dependence on a number of foreign Arab advisers, including some Iraqis, to help him formulate policy on oil matters and foreign affairs. In the opinion of the embassy, there is some danger the Saudis may overplay their hand and jeopardize their position in the UAE by offending the ruling elite's nationalist sensibilities.

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Mozambique-China*Seeking New Support*

1.4 A delegation representing the Front for the Liberation of Mozambique--the nationalist group that dominates the territory's transitional government--was set to depart yesterday on an extended aid-seeking mission to China and North Korea. One major objective of the delegation, which is headed by Front President Samora Machel, is to obtain increased military assistance from Peking, one of the Front's principal suppliers during the long insurgency against Portugal.

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3 [redacted] Machel hopes to arrange an expanded Chinese training program that will assist the Front to change over from a guerrilla to a conventional military force. Machel is anxious for the Front's troops to make a favorable impression when attention is focused on the country at the time of independence in June.


2.3 Machel reportedly discussed his military aid requirements with officials of the Chinese embassy in Dar es Salaam, Tanzania, earlier this month. The Chinese are said to have agreed to provide anti-aircraft and artillery weapons sometime before independence. They also reportedly agreed to augment their instructional team at the Front's main training camp in southern Tanzania and to provide officer training in China.

4 Now that the Front, for practical purposes, is in power in Mozambique, foreign military assistance is likely to be delivered directly to the territory rather than through Tanzania as was the case during the insurgency. Last month, the Soviets delivered a shipment of small arms and ammunition at the port of Beira. The Chinese probably will follow suit.

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